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By email

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On 5th March, the Home Secretary claimed in a speech to the Institute for Public Policy Research that “we will see a £10 billion pound drain on our public finances” if the settlement of the hundreds of thousands of low-skilled workers and their dependents is not prevented.

The Home Office also published a research note, titled *Estimated lifetime net fiscal costs for care workers and their adult dependents*, which states that the £10 billion figure reflects the estimated lifetime net fiscal cost of care workers and their adult dependents expected to settle between 2026 and 2030.

Analysis of this calculation has revealed fundamental flaws with the Home Secretary's claim.

It appears that this figure represents a simple estimate of the lifetime net fiscal cost of this cohort if they settle under the current five-year settlement rules. It does not seem to estimate the fiscal impact of the Government's proposed policy to delay settlement to ten years, nor the difference between these two scenarios.

As such, the figure does not represent any real savings associated with the Government's proposed policy change. Instead, it compares the lifetime cost of this group settling with a counterfactual in which they do not settle at all - or perhaps even cease to exist.

I would therefore be grateful if you could assess whether the presentation of this figure meets the standards expected of official statistics and whether the Home Office should clarify the basis on which the £10 billion figure has been presented.

In particular, it would be helpful for the Home Office to make clear that this figure is not an estimate of the fiscal savings associated with delaying settlement, but rather an estimate of the lifetime net fiscal cost of this cohort under existing settlement rules.

Thank you for your consideration.

Yours sincerely,

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